

PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1

Financial Statements and Supplementary Information

For the Year Ended December 31, 2019

PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1

Financial Statements and Supplementary Information
Year Ended December 31, 2019

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION:	
Roster of Officials.....	1
FINANCIAL SECTION:	
INDEPENDENT AUDITOR’S REPORT.....	2 - 4
REQUIRED SUPPLEMENTARY INFORMATION:	
Management’s Discussion and Analysis	5 -11
BASIC FINANCIAL STATEMENTS:	
District Wide - Statement of Net Position.....	12
District Wide - Statement of Activities	13
Governmental Funds – Balance Sheet.....	14 - 15
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balance.....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance in the Governmental Funds to the Statement of Activities	17
Statement of Fiduciary Net Assets	18
Statement of Changes in Fiduciary Net Assets	19
Notes to the Basic Financial Statements	20 – 43
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	44 – 45
Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS.....	46
Schedule of the District’s Proportionate Share of the Net Pension Liability – PFRS	47

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Schedule of District Contributions - PERS 48

Schedule of District Contributions – PFRS..... 49

Notes to Required Supplementary Information..... 50 -51

OTHER SUPPLEMENTARY INFORMATION:

Schedule of Supplemental Fire Services Grant Expenditure Report 52

Independent Auditor’s Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards..... 53 - 54

General Comments and Recommendations 55

PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1

Notes to Required Supplementary Information

For the Year Ended December 31, 2019

Budgets and Budgetary Controls

Annual budgets are prepared each year for the operations of the fire district. The budgets are approved by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The budgets are then voted upon by the public, at the annual fire district election held on the third Saturday in February. Budgetary transfers may be made during the last two months of the year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

Public Employees' Retirement System (PERS)

Basis of Presentation

The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated June 5, 2020. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Changes of Benefit Terms

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of Assumptions

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1

Notes to Required Supplementary Information

For the Year Ended December 31, 2019

Public Employees' Retirement System (PERS)

Changes of Assumptions (continued)

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions.

Police and Firemen's Retirement System (PFRS)

Basis of Presentation

The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated June 5, 2020. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Changes of Benefit Terms

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability payments which vest after four years of service.

Changes of Assumptions

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1

General Comments and Recommendations

For the Year Ended December 31, 2019

This section identifies any material weaknesses and significant deficiencies in internal control and instances of non-compliance related to the December 31, 2019 financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Section I - Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Plumsted Township Fire Commissioners District No. 1.
2. There were no material weaknesses identified and there were no significant deficiencies reported relating to the audit of the financial statements as reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. There were no instances of noncompliance or other matters reported relating to the audit of the financial statements as reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

Section II – Financial Statement Findings – Current Year

None

Section III – Financial Statement Findings - Current Year Status of Prior Year Findings

None

OTHER SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

BASIC FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION